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7 April 1958

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CENTRAL

INTELLIGENCE

BULLETIN



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7 APRIL 1958

I. THE COMMUNIST BLOC

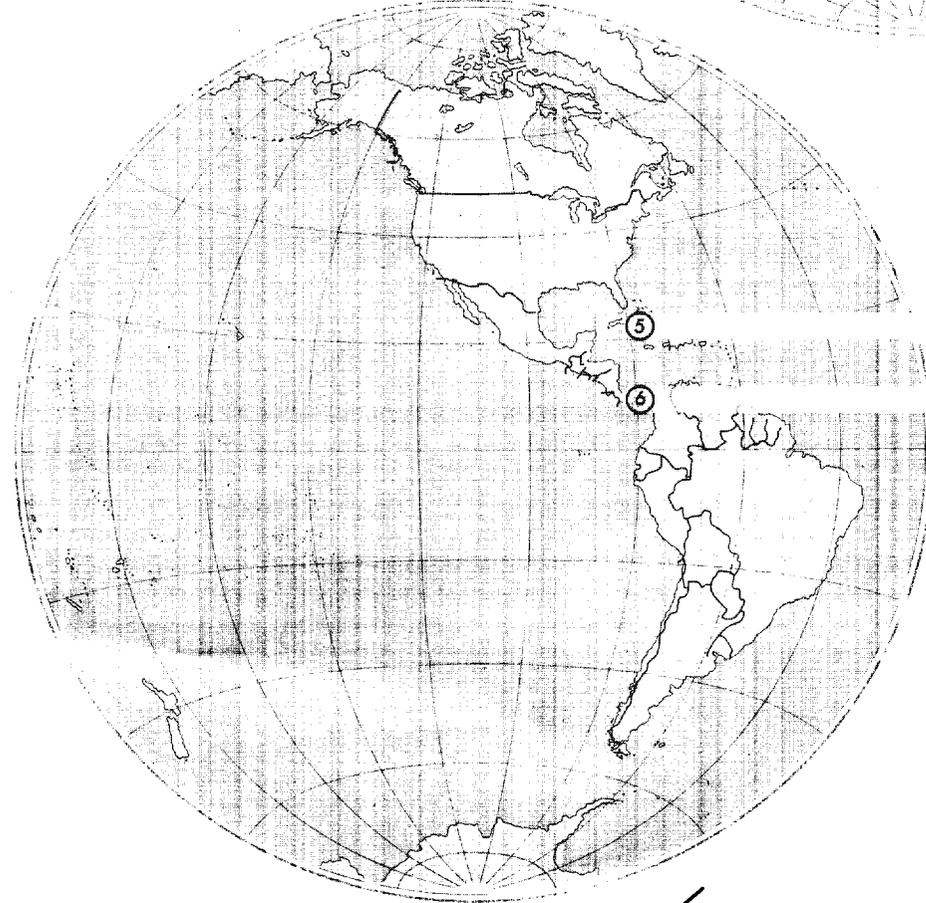
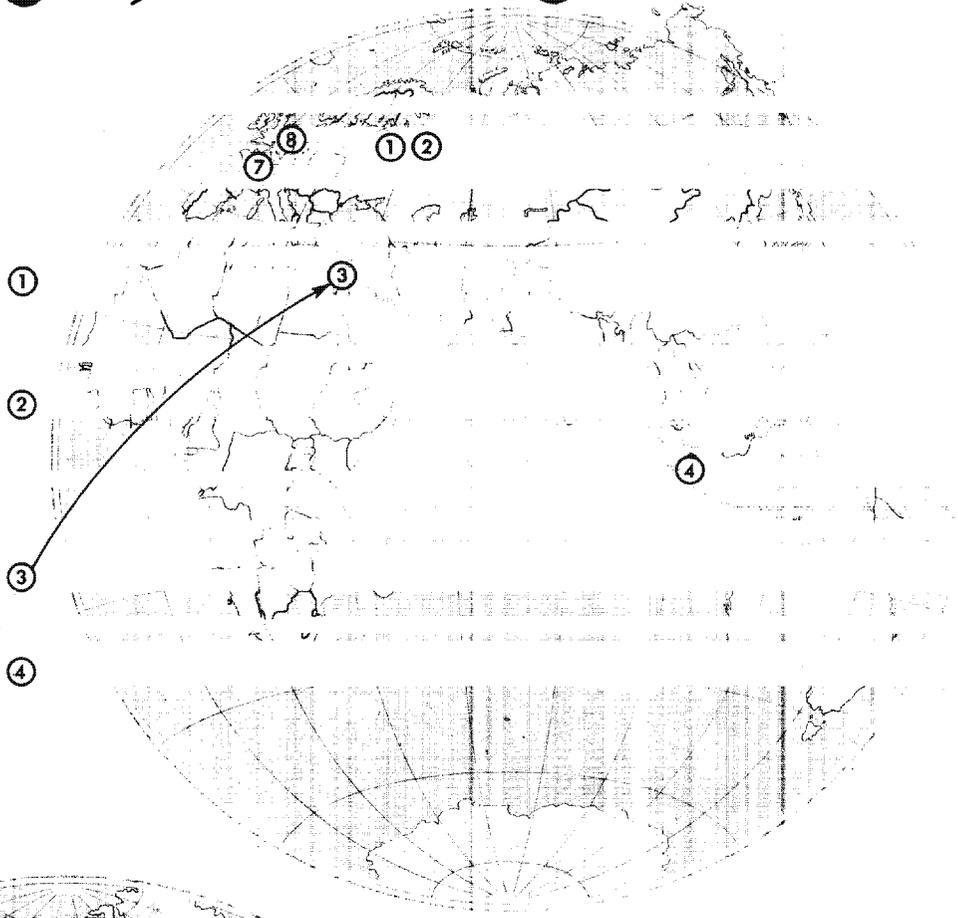
USSR likely to accept Western proposal of 31 March for presummit preparatory talks in Moscow at end of April. ①

Khrushchev letter of 4 April to President intended to initiate public exchange on nuclear test suspension. ②

II. ASIA-AFRICA

Cairo orders UAR forces in Lake Hula area to maintain maximum readiness. ③

Indonesia - Sumatran dissidents continue to lose ground to government troops. ④



III. THE WEST

- ⑤ Cuba - Batista's hold on government depends on continued support of armed forces.
- ⑥ Panama - Political opposition attacks US rights in Canal Zone to embarrass President de la Guardia.
- ⑦ France - De Gaulle critical of Soviet ambassador's efforts to cultivate him.
- ⑧ Netherlands - New squabbles mark steady decline of Dutch Communist party.

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CENTRAL INTELLIGENCE BULLETIN

7 April 1958

DAILY BRIEF

SRAB

I. THE COMMUNIST BLOC

USSR--summit tactics: The USSR will probably accept the Western proposal of 31 March to hold pre-summit preparatory talks in Moscow at the end of April,

no

[redacted] the main subject of a summit conference should be disarmament and ending preparations for atomic war. The Soviet leaders appear confident that the public effect of their unilateral suspension of nuclear tests will weaken the Western powers' bargaining position and increase pressure on them to accept Soviet terms for both preliminary negotiations and for a summit conference. [redacted]

Khrushchev's letters: Premier Khrushchev's letters of 4 April to President Eisenhower and Prime Minister Macmillan were intended to increase the impact of the USSR's unilateral suspension of nuclear tests and to initiate a public exchange between the three heads of government on this issue. Aside from officially informing the United States that the effective date of the Soviet suspension is 31 March, the letter to the President simply summarized Foreign Minister Gromyko's speech and the Supreme Soviet resolution of 31 March on the USSR's decision to suspend tests. [redacted]

yes

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II. ASIA-AFRICA

no

Israel-UAR: Syrian and Israeli forces remain in defensive postures in the Hula area, apparently pending results of the United Nations Truce Supervisory Organization's survey of the Israeli drainage project bordering the demilitarized zone. Cairo has ordered UAR forces at the front to avoid provocation but has instructed ground and air units to remain in a state of maximum readiness. While neither side appears ready to provoke the other, Israeli determination to proceed with the drainage project, despite Syrian objections, makes an eventual incident likely. [redacted] (Page 1)

no

Indonesia: Dissident forces in Sumatra, despite stronger defensive efforts, apparently are continuing to lose ground to government troops advancing westward toward Padang and Bukittinggi. The recent resumption of government air activity poses a further threat to the dissident position. The central government is planning to send additional troops to Celebes, where the dissidents lost two towns recently, but action is being delayed for lack of shipping. [redacted] (Page 2) (Map)

III. THE WEST

no

Cuba: Batista's hold on power will be secure as long as the armed forces continue to support him. There are dissident elements in the military, however, and growing demoralization among the troops. Sustained rebel harassment and growing popular demands for a peaceful solution could convince armed forces leaders that the easiest solution would be the removal of the President. [redacted]

yes

Panama Canal: Attacks on United States rights in the Canal Zone are again being used by opponents of President de la Guardia to weaken and discredit the moderate and pro-American President. The latest thrust is a petition to the

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DAILY BRIEF

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Panamanian Government for oil and mineral exploration rights in the US-controlled Canal Zone. Denial of the petition would open De la Guardia to charges that he had betrayed his country's basic "rights." [redacted] (Page 3)

no

France: French dissident Communist leader Auguste Lecoer accepted an invitation to meet De Gaulle on 3 April because of an alleged desire to impress upon the general the dangers of dealing with the present Soviet leadership. De Gaulle characterized Soviet Ambassador Vinogradov's recent visits to him as an effort to "soften him up" and said he told Vinogradov that he feels the USSR is behind France's difficulties in Algeria. [redacted]

yes

Netherlands: A long-smoldering struggle for power in the Communist party has now come to a head with the expulsion of four prominent members--including the chairman--and the demotion of a fifth. The new crisis follows the party's steady postwar decline in strength and prestige, and a further loss of votes in the nationwide provincial elections last month. [redacted] (Page 4)

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I. THE COMMUNIST BLOC

[redacted]

II. ASIA-AFRICA

Israel - United Arab Republic

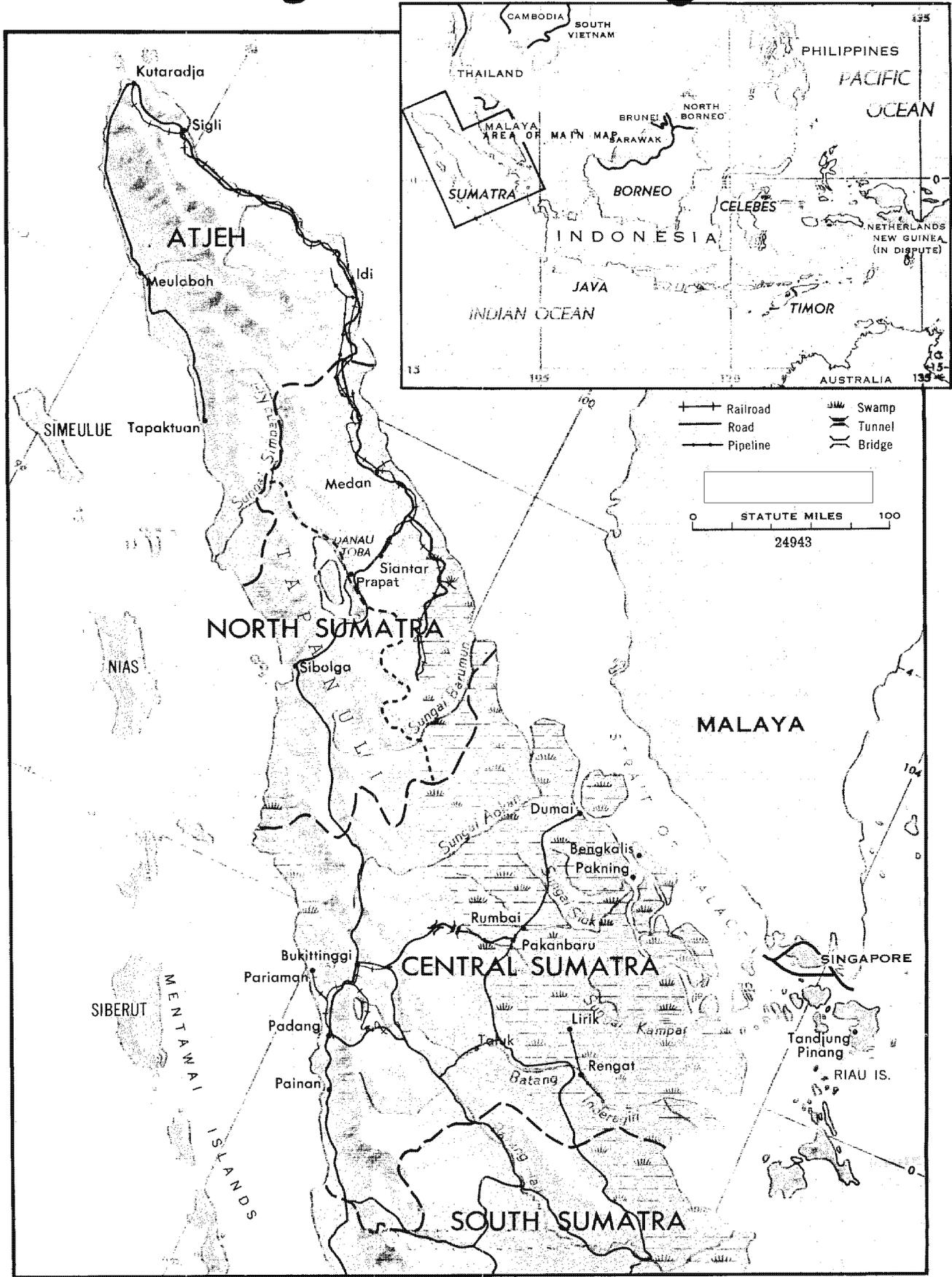
Israeli drainage operations in the Lake Hula area have not been resumed, and Syrian and Israeli forces remain in defensive postures, apparently awaiting the results of the United Nations Truce Supervisory Organization's survey of the drainage project bordering the demilitarized zone. Israeli activities may also be held up because of the Pass-over holidays and the necessity of repairs to the dredge damaged in the incidents of last week.

Cairo has ordered its army commander in the Syrian region, Brig. Gen. Faysal, to issue strict orders against firing on Israeli troops in the disputed area. Faysal was informed that, although UAR policy is to avoid provocation, its forces are to be in a state of maximum readiness, and troops in Egypt are ready to intervene in case of a serious incident. It was also stated that preparations include readiness for "air action against Israel." This air policy statement appears to be a warning order, rather than an operational command.

While neither side appears ready to provoke the other, Israel's expressed determination to proceed with the drainage plan, regardless of the circumstances, and Syria's opposition to these operations make an eventual incident likely. The apparent willingness of the UAR to respond to what it believes to be provocation heightens the seriousness of the situation. [redacted]

[redacted]

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Indonesian Situation

The military commander in the Tapanuli area of North Sumatra [] was again ordered by the army chief of staff to take firm action against dissident troops in his territory. Although the local commander has posed as a neutral, his continued cooperation with the dissidents in giving them sanctuary and apparently allowing them to recruit additional personnel has been a serious impediment to Djakarta's clearing operations in the north.

The dissident command in Central Sumatra has acknowledged further setbacks in its attempts to stem the central government's westward advance toward Padang and Bukittinggi, at the same time claiming a counterattack against government-held Pakanbaru. Padang radio states that the Padang-Palembang road is in imminent danger of being cut by central government troops moving southward from Taluk, although Djakarta claimed several days ago to have accomplished this. Central Sumatra has been receiving gasoline from the southern command via this route. The recent resumption of government air activity after several days' lull and the reported establishment of Pakanbaru as the air force's staging area for Sumatran operations pose further threats to the dissidents' position.

A further possible indication of government planning for operations against the west coast of Central Sumatra is [] security conditions on Siberut Island. A survey team reported to the chief of naval operations that the local government and people of Siberut "express their loyalty to the central government," and recommended that several armed men be stationed there to maintain security.

[] continued preparations for increased operations in North Celebes, but also a shortage of shipping for the early transport of additional troops to that area. []

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III. THE WEST

New Move Against Panama's President

The opposition has made a new thrust designed to embarrass pro-United States President de la Guardia on the controversial issue of sovereignty over the Panama Canal Zone. Ramon Gamboa, a member of the opposition Liberal party, has petitioned the Panamanian Government for oil and mineral exploration rights in the Canal Zone. He backs up the petition with the familiar nationalistic claims that Panama never relinquished sovereignty in the zone and that US rights there are limited to those necessary for the operation, maintenance, defense, and sanitation of the canal. He also notes that existing treaties make no provision for subsoil exploitation. If De la Guardia rejects the petition, his opponents will accuse him of betraying his country's rights and aspirations.

De la Guardia's opponents are led by powerful and wealthy families of the oligarchy who are fighting to maintain and expand their control over the sources of political and economic power. They have found that exploitation of the nationalistic issue of Panama's "rights" to some control of and greater benefits from canal operations not only hits De la Guardia at a vulnerable point, but also gives them common cause with other population groups. The thousands of slum dwellers in Panama's two largest cities already tend to blame their poverty and Panama's critical economic problems on US control of the canal.

The 1903 treaty with Panama granted the US in perpetuity "all the rights, power, and authority" in the Canal Zone which the US would have "if it were the sovereign" there. There are no proven petroleum deposits either in the zone or in Panama.

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Netherland Communist Party Crisis

The Netherlands Communist party is in danger of disintegrating as a result of a bitter struggle for leadership. The conflict came to a head on 5 April with the expulsion of four prominent party members--including the chairman--and the demotion of a fifth. Four of the five are members of the seven-man Communist delegation in the lower house of parliament.

Secretary General Paul De Groot has accused his opponents in the party of attempting to seize control with a "rightist bourgeois" policy, but the real issue is over trade union policy. De Groot has been pressing for dissolution of the party's trade union affiliate (EVC) and for Communist infiltration into other unions, but he has been facing strong resistance from the EVC leaders, who would thus lose their jobs and who have long resented his dictation.

De Groot seems to have overcome this increasingly formidable opposition for the time being at least, but the struggle will cost the Communists still further loss of prestige. The party is estimated to have fallen to a post-war low of some 18,000 members and, in the provincial elections last month, polled only slightly more than 4 per cent of the vote.

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